

FILED

OCT 12 2006

NEBRASKA DEPARTMENT  
OF INSURANCE

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

APS HEALTHCARE OF BETHESDA,  
INC.,

RESPONDENTS.

CONSENT ORDER

CAUSE NO. C-1588

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Martin W. Swanson, and Respondent APS Healthcare Bethesda, Inc., mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondents pursuant to Neb. Rev. Stat. § 44-101.01, 44-1536 et seq., 44-5801 et seq., 44-3292 et seq., and Title 210 NAC Ch. 61.

2. APS Healthcare Bethesda, Inc. (hereinafter "Respondent APS") is an Iowa-domiciled company whose mailing address is 8403 Colesville Road, Suite 1600, Silver Spring, MD 20910. Respondent APS is licensed as a third party administrator in the State of Nebraska, and was the third party administrator for Coventry at all times material hereto.

### STIPULATIONS OF FACT

4. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. APS Healthcare Bethesda, Inc., on July 31, 2006. A copy of the petition was served upon the Respondent at each Respondent's registered business address by certified mail, return receipt requested.

5. Respondent violated Neb. Rev. Stat. §§ 44-1525(11) through the following conduct:

- a. On February 17, 2006, the Nebraska Department of Insurance received a complaint that warranted investigation. On February 24, 2006, Barbara Ems, an Insurance Investigator with the Nebraska Department of Insurance, contacted Respondent and requested answers to certain questions raised by the complaint. Respondent failed to properly respond to this letter in their initial response of April 26, 2006, by providing information that was subsequently corrected by Respondent on or about August 28, 2006.

6. Respondent APS Healthcare of Bethesda, Inc. admits the allegations and violations of law contained in Paragraph No. 5 above.

### CONCLUSIONS OF LAW

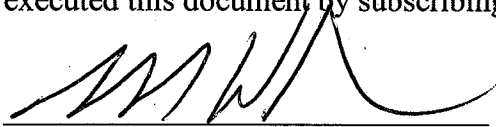
7. The conduct of Respondents constitute a violation of §44-1525(11).

### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent APS Healthcare of Bethesda, Inc. that Respondent APS shall pay an administrative fine of five hundred dollars (\$500). The fine shall be paid in total within thirty (30) days after the Director of the Department of Insurance affixes his signature to this document and approves said consent agreement. If Respondent APS Healthcare of Bethesda, Inc. fails to pay its fine in the time specified, its certificate of authority to act as a third party administrator in Nebraska shall be suspended indefinitely until such fine is paid and

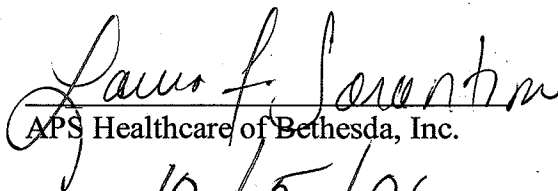
Respondent APS Healthcare of Bethesda shall be subject to additional administrative action(s).

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his or her signature below.



Martin W. Swanson, #20795  
Attorney  
Department of Insurance  
941 "O" Street, Suite 400  
Lincoln, Nebraska 68508  
(402) 471-2201

10 October 2006  
Date



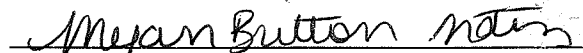
APS Healthcare of Bethesda, Inc.

10/5/06  
Date

General Counsel/VP/Secretary  
APS Healthcare Bethesda, Inc.  
8403 Colesville Road, Suite 1600  
Silver Spring, MD 20910  
(301) 563-5633

State of Maryland )  
 ) ss.  
County of Montgomery )

On this 5<sup>th</sup> day of October, 2006, Laura F. Tarantino  
personally appeared before me and read this Consent Order, executed the same and  
acknowledged the same to be his voluntary act and deed.

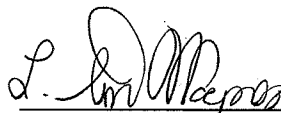
  
Notary Public

MEGAN BRITTON ZATZ  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires June 6, 2010

### CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Order of the Nebraska Department of Insurance with respect to APS Healthcare of Bethesda, Inc. in the matter of State of Nebraska Department of Insurance vs. APS Healthcare Bethesda, Inc., Cause No. C-1588

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



L. TIM WAGNER  
Director of Insurance

October 12, 2006  
Date

### CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to Respondents by mailing a copy to Respondent APS Healthcare Bethesda, Inc. at 8403 Colesville Road, Suite 1600, Silver Spring, MD 20910, by certified mail, return receipt requested on this 12<sup>th</sup> day of October, 2006.

